

July 14, 2004

The Honorable Robert Bunda, President
and Members of the Senate
Twenty-Second State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

Re: Senate Bill No. 2404, S.D.2, H.D.1, C.D.1

On July 13, 2004, Senate Bill No. 2404, entitled "Making an Appropriation for Expenses of the 2005 National Association of Counties Meeting in Honolulu," became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

This bill appropriates \$50,000 or so much thereof as may be necessary for fiscal year 2004-2005 for the City and County of Honolulu to host the 2005 National Association of Counties Annual Conference and Exposition. The State funds will be matched by the City and County of Honolulu on a dollar-for-dollar basis, according to the bill. The legislation also provides that the City and County of Honolulu shall be the expending entity for the State-appropriated monies.

I support the general intent of this bill to encourage the counties to attract businesses, meetings, and conventions to our state as a means of achieving increased visitor exposure and spending. However, I have several concerns with this bill and the precedent it may set. First, the bill makes an appropriation from the State's general fund, the source of capital that is reserved primarily for operations of the **State**. Further, this measure gives the County of Honolulu sole authority for expending these State monies. The counties have a variety of sources of funding for local events and those should be exhausted prior to seeking funding from the State.

Additionally, the appropriation was not considered in the State budget prioritizing process and, therefore, was approved by the Legislature outside of the normal budget cycle and was not considered under the annual appropriations review for inclusion in the State's six-year financial plan.

Therefore, I allowed Senate Bill No. 2404, S.D.2, H.D.1, C.D.1 to become law as Act 233, effective July 13, 2004, without my signature.

Sincerely,

LINDA LINGLE